

By: Frank, Oliverson, Raymond, White, et al.

H.B. No. 3752

A BILL TO BE ENTITLED

AN ACT

relating to the offering of health benefits by subsidiaries of the Texas Mutual Insurance Company.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2054.107, Insurance Code, is amended to read as follows:

Sec. 2054.107. CERTAIN RELATIONSHIPS WITH OTHER INSURERS PROHIBITED. Except as provided by Section 2054.602, the [The] company may not have:

(1) an affiliate, spin-off, or subsidiary that writes a line of insurance other than workers' compensation insurance; or

(2) interlocking boards of directors with an insurer that writes a line of insurance other than workers' compensation insurance.

SECTION 2. Chapter 2054, Insurance Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. SUBSIDIARIES AUTHORIZED TO PROVIDE HEALTH BENEFIT

COVERAGE

Sec. 2054.601. DEFINITION. In this subchapter, "alternative health benefit coverage" means health benefit coverage:

(1) provided by a subsidiary of the company that is not authorized to engage in the business of insurance in this state;

(2) offered only to:

1                   (A) individuals;  
2                   (B) small businesses with not more than 250  
3 full-time equivalent employees; or  
4                   (C) the company's policyholders or their  
5 employees; and

6                   (3) that is not:

7                   (A) provided through an insurance policy or other  
8 product the offering or issuance of which constitutes the business  
9 of insurance in this state; or

10                   (B) benefit coverage subject to the laws  
11 governing workers' compensation in this state.

12           Sec. 2054.602. HEALTH BENEFIT COVERAGE OFFERED BY  
13 SUBSIDIARY AUTHORIZED. (a) The company may create, acquire, or  
14 otherwise own or operate one or more subsidiaries that offer  
15 accident or health insurance or another type of health benefit  
16 coverage or health benefit plan as provided by this subchapter.

17           (b) A subsidiary of the company may offer in this state:

18                   (1) accident or health insurance or another type of  
19 health benefit plan authorized under this code, in accordance with  
20 a certificate of authority issued to the subsidiary under this  
21 code; or

22                   (2) alternative health benefit coverage as described  
23 by Section 2054.601.

24           (c) The company may not be held liable for an act or  
25 obligation of a subsidiary of the company operating under this  
26 section.

27           (d) A subsidiary of the company may not offer or issue any

1 policy, plan, or benefit coverage under this section before January  
2 1, 2023. This subsection expires September 1, 2023.

3 Sec. 2054.603. CONSIDERATIONS AND GUIDING PRINCIPLES FOR  
4 DEVELOPING HEALTH BENEFITS OFFERINGS. In developing health  
5 benefits or health benefit plan options to be offered through a  
6 subsidiary of the company, the company shall fully explore all  
7 health coverage options that may be offered under this subchapter  
8 and place emphasis on:

9 (1) increasing competition in the health insurance  
10 market;

11 (2) utilizing innovations that improve the quality of  
12 health care while lowering health care costs;

13 (3) ensuring coverage and access to care for  
14 individuals in this state with preexisting conditions;

15 (4) leveraging federal tax credits that may be  
16 available for private health benefit coverage to the greatest  
17 extent possible to increase the affordability of health benefit  
18 coverage;

19 (5) ensuring transparency and coherence of costs and  
20 coverage to inform individuals shopping for health benefits;

21 (6) reducing incidences of medical debt faced by  
22 individuals in this state and uncompensated care faced by providers  
23 in this state; and

24 (7) ensuring equitable costs regardless of gender or  
25 prospects of pregnancy or childbirth.

26 Sec. 2054.604. RULES. Except with respect to alternative  
27 health benefit coverage as described by Section 2054.601 or a

1 subsidiary of the company offering alternative health benefit  
2 coverage, the commissioner may adopt rules as necessary to  
3 implement this subchapter.

4 Sec. 2054.605. EXEMPTION FROM OTHER INSURANCE LAWS. A  
5 provision of this code, other than this chapter, does not apply to  
6 alternative health benefit coverage as described by Section  
7 2054.601 unless alternative health benefit coverage is expressly  
8 mentioned in the other law.

9 SECTION 3. This Act takes effect September 1, 2021.